



Division of
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COMMODITY FUTURES TRADING COMMISSION

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April 19, 2018

BY ECF

Chief Magistrate Judge Roanne L. Mann
United States District Court
Eastern District of New York
225 Cadman Plaza East
New York, New York 11201

Re: *Commodity Futures Trading Commission v. Patrick K. McDonnell and CabbageTech, Corp. d/b/a Coin Drop Markets, No. 18-CV-00361 (JBW)(RLM)*

Dear Chief Magistrate Judge Mann:

I am a Senior Trial Attorney in the Division of Enforcement of the Commodity Futures Trading Commission (the “Commission”) and represent the Commission in the captioned matter. I write concerning the four authorizations dated April 13, 2018 (“April 13 authorizations”) sent to Defendant Patrick K. McDonnell that the Court has ordered Mr. McDonnell to execute multiple times. *E.g.*, Dkt. No. 60 (“The Court adheres to and reiterates its April 17th electronic order directing defendant McDonnell to execute the revised authorizations.”).

Today, the Commission received from Mr. McDonnell the April 13 authorizations by UPS. While each was signed and dated, all four also included additional, highlighted modifications that Mr. McDonnell had added, including “V.C.,” “Contested and Protested,” and “(Signed Under Duress).” *See* Ex. 1.

Upon receipt, I conferred with Mr. McDonnell by telephone to communicate the Commission’s position that authorizations signed, *e.g.*, “under duress,” do not comply with the Court’s Orders directing Mr. McDonnell to execute the authorizations forthwith. I requested that Mr. McDonnell provide the authorizations without his modifications. Mr. McDonnell refused, stating that the Court’s Orders only required him to sign the authorizations but were silent on his proposed modifications, to which he believes he is entitled.

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Mr. McDonnell's unilateral modifications contradict some of the terms and possibly undermine the effectiveness of the authorizations. They are yet another strategic refusal to comply fully with discovery obligations as well as the Court's Orders so as to delay and obstruct the Commission's ability to discover information essential to determining the identity and number of victims and amount of monetary harm from Mr. McDonnell's alleged wrongdoing.

The Commission respectfully requests that the Court direct Mr. McDonnell, once again, to provide executed authorizations without modifications designed to undermine or limit their legal effectiveness. I certify that I conferred with Mr. McDonnell in good faith in an effort to obtain the unmodified authorizations without court action.

We are available as convenient to the Court's schedule to address this or any other issues.

Respectfully submitted,

/s/ Gates S. Hurand

Gates S. Hurand

cc: Patrick K. McDonnell (by ECF and electronic mail)